

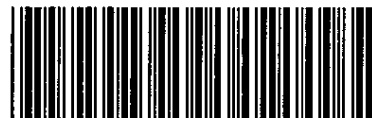
AM10

Notice of administrator's progress report



Companies House

THURSDAY



A15 *A8CERDEY* 22/08/2019 #142
COMPANIES HOUSE

1 Company details

Company number 0 3 7 6 8 8 4 7

Company name in full Milleperle Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kikis Kallis FCCA

Surname FABRP

3 Administrator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region

Postcode L o n d o n , N 2 0 0 R A

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 3	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9
To date	^d 2	^d 2	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9

7 Progress report

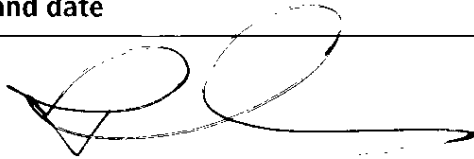
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X




X

Signature date

^d 2	^d 0	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9
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Milleperle Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 23/01/2019 To 22/07/2019 £	From 23/01/2018 To 22/07/2019 £
SECURED CREDITORS			
(64,048.62)	M Giovanardi	NIL	NIL
		NIL	NIL
HIRE PURCHASE			
	Rent Deposit	NIL	21,584.12
	Tullian Burlington Limited	NIL	(17,986.77)
		NIL	3,597.35
ASSET REALISATIONS			
	Bank Interest Gross	5.36	5.37
Uncertain	Book Debts	NIL	NIL
	Business Rates Refund	NIL	4,991.88
27.28	Cash at Bank	NIL	26.10
NIL	Furniture & Equipment	NIL	NIL
7,200.00	Third Party Funds	NIL	7,200.00
		5.36	12,223.35
COST OF REALISATIONS			
	Administrator's Pre Appointment Fees	NIL	6,000.00
	Agents/Valuers Fees	998.38	998.38
	Legal Fees	1,400.00	1,400.00
		(2,398.38)	(8,398.38)
UNSECURED CREDITORS			
(6,000.00)	HM Revenue & Customs (VAT)	NIL	NIL
(139,800.00)	Landlord	NIL	NIL
(19,605.22)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(222,228.56)		(2,393.02)	7,422.32
REPRESENTED BY			
	Bank 1 Current Interest Bearing		5,742.64
	VAT Receivable		1,679.68
			7,422.32


 Kikis Kallis FCCA FABRP
 Administrator

**MILLEPERLE LIMITED
IN ADMINISTRATION**

ADMINISTRATOR'S THIRD PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE
INSOLVENCY RULES 2016 FOR THE PERIOD ENDING 22 JULY 2019.

Contents:

1. *Statutory Information*
2. *Administrators' Actions Since Appointment*
3. *Receipts And Payments*
4. *Assets*
5. *Liabilities*
6. *Dividend Prospects*
7. *Investigation Into The Affairs Of The Company*
8. *Pre-Appointment Remuneration*
9. *Administrators' Remuneration*
10. *Administrators' Expenses*
11. *Further Information*
12. *Summary*

Appendices:

1. *Receipts & Payments Account for the period from 23 January 2019 to 22 July 2019 and from 23 January 2018 to 22 July 2019.*
2. *A schedule of actions undertaken under each category in the reporting period*
3. *A schedule of Liquidator's time costs incurred in the period from 23 January 2019 to 22 July 2019 and from 23 January 2018 to 22 July 2019.*
4. *A comparison of my original fees estimate and time costs to 22 July 2019.*
5. *An explanatory note which shows Kallis & Company's fee policy*
6. *Proof of debt form*

Milleperle Limited (“the Company”) – In Administration

ADMINISTRATOR’S PROGRESS REPORT TO CREDITORS

For the six months ending 22 July 2019

1. STATUTORY INFORMATION

Company name:	Milleperle Limited
Court name and reference:	High Court of Justice 000435 of 2018
Registered office:	Mountview Court 1148 High Road Whetstone London N20 0RA
Former registered office:	253 Grays Inn Road London WC1X 8QT
Registered number:	03768847
Administrator’s name:	Kikis Kallis FCCA FABRP
Administrator’s address:	Mountview Court 1148 High Road Whetstone London N20 0RA
Administrator’s date of appointment:	23 January 2018

On 3 January 2019, the secured creditor agreed to extend the administration of the Company for a period of 12 months, such that the administration will now automatically end on 22 January 2020.

2. ADMINISTRATOR’S ACTIONS SINCE LAST PROGRESS REPORT

Since my last report, my staff and I have continued to progress matters relating to the preference claim against the Director and the recovery of the intercompany debt due from Milleperle Hong Kong. The Director has been pursued for both matters and I am currently in negotiations with him to settle these claims.

In addition to the above, there is also certain work that I am required by the insolvency legislation to undertake in connection with the administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 2.

3.RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 23 January 2019 to 22 July 2019 and from the date of my appointment on 23 January 2018 to 22 July 2019 is attached at Appendix 1.

The balance of funds is held in an interest bearing estate bank account.

4.ASSETS

Rent Deposit

Tullian Burlington Limited, the Company's former landlord held a rent deposit deed dated 21 September 2007 and delivered at Companies House on 3 October 2007.

Shortly after my appointment, the rent deposit was applied against the Company's rent arrears, in accordance with the terms of the deed. A sum of £17,986.77 plus VAT was applied against the Company's rent arrears and the balance remains as a claim in the administration proceedings.

Bank Interest Gross

To date, interest in the sum of £5.37 has been received, of which £5.36 was received during the period in review.

Debtors

The Company's sole known realisable asset was an intercompany book debt of £116,727 due from the connected entity Milleperle Hong Kong ("MHK").

Shortly after my appointment as Administrator, a reconciliation of the intercompany dealings was undertaken and a revised figure of £87,902 was shown as due from MHK. A demand for payment of this outstanding debt was served on MHK, through the Director, but no recoveries have been made as yet.

I am advised that MHK is currently in financial difficulties and likely to cease trading shortly. My enquiries into the financial position of MHK are continuing and it is unclear at this stage whether any recoveries will be made in respect of the intercompany book debt.

Business Rates

Although not anticipated, a sum of £4,991.88 has been realised in respect a business rate refund.

Furniture & Equipment

At the time of my appointment as Administrator, the Company's "physical" assets, comprising of a small number of furniture and equipment, including tables and jewellery display stands, carried a book value of £5,288 in the Company's draft accounts.

These assets were abandoned when the Company vacated its trading premises and as such, no realisation has been achieved in this regard.

Cash at Bank

At the time of my appointment, the balance in the bank account was estimated to be £27.28. A sum of £26.10 has been realised in this regard.

Third Party Funds

These funds represent monies advanced by the Chargeholder who agreed that I should be paid my pre-administration costs as a fixed fee of £6,000 plus VAT.

Claim against the Director

As detailed in my earlier reports, I have identified a potential preference claim against the Director under the provisions of Section 239 of the Insolvency Act, 1986 ("the IA").

My review of the Company's financial and other records shows that on 30 September 2017, a dividend in the sum of £250,000 was declared by the Company. However, payment of the dividend was not made and the Director became a creditor of the Company for this amount. On the same day, the Director purchased from the Company certain stock items for the sum of £250,000. Payment for the stock items was set off against the Company's indebtedness to the Director such that no monies exchanged hands.

I have considered the circumstances surrounding the declaration of the dividend and am satisfied that the distribution was lawful as it was made at a time when there were sufficient reserves available to the Company. I have also obtained from agents James Owen & Company Limited a desk top valuation of the stock items purchased by the Director and am satisfied that a fair price was agreed for the stock items sold.

However, I consider the transaction itself to be a preference within the definition of Section 239 of the IA for the following reasons:

- The transaction occurred at a relevant time, namely within the last two years from the date of insolvency;
- By receiving the stock in settlement of the Company's indebtedness to the Director, the Director was placed in a better position than he would have been had the transaction not occurred;
- The Company became insolvent as a consequence of the transaction; and
- By entering into the transaction, the Company had a presumed desire to prefer the Director over all other Company creditors.

The remedy available under the provisions of Section 239 of the IA provides that the Company should be restored to the position it would have been in had the preference not been given.

I have therefore requested that the Director either return the stock items purchased or to submit to me a proposal for repayment of a sum equivalent to the valuation report provided by Messrs James Owen & Co.

Creditors should note that any settlement agreed with the Director will increase his claim in the administration proceedings, which currently stands at £168,430.42, by a sum equivalent to preference recovered.

Creditors should also note that as the holder of a qualifying floating charge, any recoveries made in this regard will be applied against the Director's claim, after deducting the costs of the administration and the prescribed part, such that the return to creditors, if any, will be negligible.

I am currently in discussions with the Director regarding settlement of this claim and will keep creditors updated on any developments.

5.LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company granted a fixed and floating charge to Mr Marco Giovanardi, the Director, on 13 March 2013.

The Director has submitted a claim for £31,430.42 under the terms of his charge. It is my understanding that the Director has also assumed the Company's liability to its former landlord but I have yet to receive an updated claim in this regard.

Legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

At present, I am unable to determine the value of the Company's net property as this is dependent on the outcome of the realisations relating to the book debt and any recoveries to be made from the preference claim discussed above.

Preferential Creditors

There are no preferential creditors in these administration proceedings.

Crown Creditors

The Statement of Affairs included £6,000 owed to HMRC. HMRC's initial claim of £12,546.36 has been received.

Non-preferential unsecured Creditors

The Statement of Affairs included 9 non-preferential unsecured creditors with an estimated total liability of £159,405.22. I have received claims from 3 creditors at a total of £2,314.39, including a claim of £62.95 from a creditor not shown in the Statement of Affairs.

I have not received claims from 7 creditors with original estimated claims in the Statement of Affairs of £141,905.22.

6.DIVIDEND PROSPECTS

On the basis of current information, it is unlikely that a dividend will be paid to unsecured, non preferential creditors.

7.INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 6 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the Statement of Affairs lodged in the Administration and made enquiries about the reasons for the changes.

As detailed in my previous report, a payment was identified from my review of the Company's bank statements that needs further clarification. I am currently making enquiries with the Director in regards to this transaction.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

8.PRE-ADMINISTRATION COSTS

The Chargeholder issued me with a Notice of Intention to Appoint an Administrator on 17 January 2018. He agreed that I should be paid my pre-administration costs as a fixed fee of £6,000 plus VAT. This was paid by the Chargeholder personally.

9.ADMINISTRATOR'S REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £25,382.50. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the secured creditor. My total time costs to 22 July 2019 amount to £22,995.00, representing 145.39 of hours work at a blended charge out rate of £158.16 per hour, of which £4,512.50 was charged in the period since 23 January 2019, at a blended charge out rate of £138.85 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £216.02 in my fees estimate.

I have not been able to draw any remuneration in this matter.

A detailed schedule of my time costs incurred to date and since 22 January 2019 compared with my original fees estimate is attached as Appendix 2.

As at the date of this report, I anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the secured creditor. This is due to additional work carried out that was not anticipated when my time cost estimates were made, in particular, dealing with a request from the former landlord to convene a physical meeting of creditors to consider my original proposals, formulating the preference claim against the Director, and dealing with matters pertaining to the surrender of the Company's lease and application of the rent deposit.

Additional time will be incurred to finalise matters relating to the preference claim against the Director and the debt due from MHK, as well as attending to the formalities of bringing these administration proceedings to a conclusion.

Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/helpsheets/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3 is available at the link <https://www.r3.org.uk/what-we-do/publications/professional/fees>, and an explanatory note which shows Kallis & Company's fee policy

are available at the link <http://www.kallis.co.uk/downloads>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

10. ADMINISTRATOR'S EXPENSES

I have incurred total expenses of £2,2,656.26 since my appointment as Administrator, of which £15.00 were incurred in the period since 23 January 2019. These are shown below:

	Incurred in the period from 23/1/2019 to 22/7/2019		Incurred in the period from 23/01/2018 to 22/07/2019	
	Paid £	To be paid £	Paid £	To be paid £
Disbursement				
Specific Bond				44.00
Statutory Advertising				169.20
Agents Fees	998.38		998.38	
Solicitors Fees	1,400.00		1,400.00	
Postage				14.70
Storage		15.00		30.00

I have drawn to date £2,398.38, all of which was drawn in the reporting period.

I have incurred the following category 2 disbursements in the period since my appointment as Administrator:

	Period from 23/1/2019 to 22/7/2019		Period from 23/01/2018 to 22/07/2019	
	Paid £	To be paid £	Paid £	To be paid £
Disbursement				
Storage		15.00		30.00

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Goodman Nash Limited	Business rates refund	20% on realisations
Irwin Mitchell Solicitors	Appointment matters	Fixed fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Irwin Mitchell Solicitors were instructed to assist with obtaining the order of the administration.

Goodman Nash Limited were instructed to realise a refund from the council in respect of business rates.

11. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar

application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Kallis & Company, including the firm's complaints policy and Professional Indemnity Insurance, can be found at <http://www.kallis.co.uk/legal>.

12.SUMMARY

The administration will remain open until the preference claim against the Director has been settled and the book debt due from MHK recovered. I estimate that this will take approximately 5 months, and once these matters have been finalised the administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the administration, or if they want hard copies of any of the documents made available on-line, they should contact Antonis Stylianou by email at Antonis@kallis.co.uk, or by phone on 020 8446 6699.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

**KIKIS KALLIS FCCA FABRP
ADMINISTRATOR**

The affairs, business and property of the Company are being managed by the Administrator, Kikis Kallis FCCA FABRP. The Administrator acts as an agent of the Company and contract without personal liability.

Appendix 2

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Maintaining physical case files.
- Maintaining the practice's electronic case management system and entering data.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.

2. Financials

- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

3. Creditors

- Dealing with all routine correspondence and emails relating to the case.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

4. Investigations

- Liaising with the Director regarding unexplained transactions identified in the Company's bank statements.

Analysis of Administrator's time costs for the period 23/01/2018 To 22/07/2019

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1.1 - Case planning and review	11.90	0.00	5.70	17.60	52.20	87.40	13,215.00	151.20
AD1.2 - Ongoing administration matters	4.50	0.00	1.80	0.00	28.10	34.40	4,492.50	130.60
AD1.3 - Statutory notices & reporting	1.60	0.00	0.00	14.30	14.60	30.50	4,462.50	146.31
Financials	5.80	0.00	3.90	3.30	9.50	22.50	4,260.00	189.33
AD2.1 - Completion and agreement of tax returns	1.00	0.00	0.00	0.30	15.49	16.79	1,896.50	112.95
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.30	1.20	1.50	172.50	115.00
AD2.3 - Expense reviews and payments	0.50	0.00	0.00	0.00	3.10	3.60	457.50	127.08
Realisation of Assets	0.50	0.00	0.00	0.00	11.19	11.69	1,266.50	108.34
AD3.1 - Dealing with agents, asset and business sales	2.50	0.00	1.10	0.60	11.30	15.50	2,356.00	152.00
AD3.2 - Book debt collection	0.90	0.00	0.00	0.00	0.00	0.90	337.50	375.00
AD3.3 - Identifying assets and recovery	0.00	0.00	0.00	0.00	3.20	3.20	320.00	100.00
Investigations	1.60	0.00	1.10	0.60	8.10	11.40	1,698.50	148.99
AD4.1 - SIP 2 review & CDDA reports	2.20	0.00	0.70	1.50	2.50	6.90	1,335.00	193.48
AD4.2 - Inventory and record review	1.20	0.00	0.00	0.00	1.70	2.90	540.00	186.21
AD4.3 - Investigations - antecedent transactions/misconduct	1.00	0.00	0.00	0.00	0.00	1.00	295.00	295.00
Creditors	0.00	0.00	0.70	1.50	0.80	3.00	500.00	166.67
AD5.1 - Communication with creditors	9.50	0.00	1.10	3.10	5.10	18.80	4,192.50	223.01
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	9.00	0.00	1.10	3.10	4.90	18.10	4,025.00	222.38
Total Hours	27.10	0.00	8.60	23.10	86.59	145.39		158.16
Total Fees (GBP)	8,498.50	0.00	1,935.00	4,052.50	8,509.00		22,995.00	

Analysis of Administrator's time costs for the period 23/01/2019 To 22/07/2019

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1.1 - Case planning and review	1.20	0.00	2.70	0.00	12.40	16.30	2,297.50	140.95
AD1.2 - Ongoing administration matters	0.00	0.00	0.50	0.00	6.40	6.90	752.50	109.06
AD1.3 - Statutory notices & reporting	0.00	0.00	0.00	0.00	1.00	1.00	100.00	100.00
Financials								
AD2.1 - Completion and agreement of tax returns	1.20	0.00	2.20	0.00	5.00	8.40	1,445.00	172.02
AD2.2 - Banking and reconciliations	0.50	0.00	0.00	0.00	4.20	4.70	567.50	120.74
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.50	0.50	50.00	100.00
Realisation of Assets								
AD3.1 - Book debt collection	0.50	0.00	0.00	0.00	0.90	1.40	237.50	169.64
AD3.2 - Identifying assets and recovery	0.00	0.00	0.00	0.00	2.80	2.80	280.00	100.00
Investigations								
AD4.1 - SIP 2 review & CDDA reports	0.00	0.00	0.40	0.00	6.30	6.70	720.00	107.46
AD4.2 - Investigations - antecedent transactions/misconduct	0.00	0.00	0.00	0.00	3.20	3.20	320.00	100.00
Creditors								
AD5.1 - Communication with creditors	0.20	0.00	0.70	0.00	3.10	3.50	400.00	114.29
	0.20	0.00	0.00	0.00	1.70	1.90	245.00	128.95
	0.00	0.00	0.70	0.00	0.10	0.80	167.50	209.38
	1.50	0.00	0.10	0.00	0.50	2.10	515.00	245.24
	1.50	0.00	0.10	0.00	0.50	2.10	515.00	245.24
Total Hours	3.40	0.00	3.90	0.00	25.20	32.50		138.85
Total Fees (GBP)	1,115.00	0.00	877.50	0.00	2,520.00		4,512.50	

Appendix 4

Description of categories	Estimated time	Estimated value of the time costs	Blended charge out rate	Actual time	Actual value of the time costs	Actual blended charge out rate
ADMINISTRATION	38.60	£8,662.50	£224.42	87.40	£13,215.00	£151.20
FINANCIALS	7.30	£1,159.50	£158.84	16.79	£1,896.50	£112.95
REALISATION OF ASSETS	25.00	£7,175.0	£287.00	15.50	£2,356.00	£152.00
INVESTIGATIONS	30.60	£5,327.50	£714.10	6.90	£1,335.00	£193.48
CREDITORS	16.00	£3,058.50	£191.13	18.80	£4,192.50	£223.01
GRAND TOTAL FOR ALL CATEGORIES OF WORK	117.50	£25,382.50	£216.02	145.39	£22,995.00	£158.16

PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.kallis.co.uk. Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, London N20 0RA. Please note, that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 01/10/2017	Previous charge-out rate per hour, effective from 01/10/2015	Previous charge-out rate per hour, effective from 01/10/2012 £	Previous charge-out rate per hour, effective from 01/10/2010 £
Partner – appointment taker	£295-375	£340-375	£275-£335	£275-£320
Senior Manager	£285	£285	£275	£275
Manager	£225	£225	£170-£275	£170-£275
Senior/Case Administrator	£125-175	£150-175	£90-£175	£90-£175
Support Staff	£85-100	£85-100	£60-£85	£60-£85

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed on periodic basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

Administration and Planning; Financials; Investigations; Realisation of Assets; Creditors; Trading; Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we continue to seek time costs for the majority of our cases.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any

realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

Solicitors/Legal Advisors; Auctioneers/Valuers; Accountants; Quantity Surveyors; Estate Agents; Other Specialist Advisors.

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Kallis & Company; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£50 per hour
Mileage	www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances
Storage	£15 per box per annum
Destruction Costs	£5.50 per box

Appendix B

Rule 14.4 The Insolvency (England and Wales) Rules 2016
Proof of Debt – General Form

IN THE IN THE HIGH COURT OF JUSTICE

Number: 000435 of 2018

Name of Company in Administration: Milleperle Limited

Company Registration Number: 03768847

Date of Administration: 23 January 2018

1 Name of creditor
(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's
behalf)

10 Address of person signing if different from 2
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

Kikis Kallis FCCA FABRP
ADMINISTRATOR

Kikis Kallis FCCA FABRP
ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

AM10

Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Antonis Stylianou**

Company name **Kallis & Company**

Address **Mountview Court**
1148 High Road

Post town **Whetstone**

County/Region **London**

Postcode **N 2 0 0 R A**

Country

DX

Telephone **020 8446 6699**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse